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June 20, 2003

VIA HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

> Re: **Notice of *Ex Parte* Presentation by**
> **US Datanet in WC Docket No. 02-361**

Dear Ms. Dortch:

Yesterday, Lynn Hartrick, Frank Caruso, Brad Mutschelknaus and I, on behalf of US Datanet, met with Christopher Libertelli, Legal Advisor to Chairman Michael K. Powell, to discuss the above-referenced proceeding and to distribute the attached documents. During this meeting, US Datanet described its next-generation, national voice-over-packet network and the innovative services, lower prices and better customer service that US Datanet offers its customers. US Datanet also described the types of services it is developing and explained that IP Telephony is a nascent service whose similarities to traditional telecommunications services will diminish over time as broadband Internet access becomes ubiquitous. However, as US Datanet explained during the meeting, IP Telephony services might never fully develop and mature if they are constrained by the burden of above-cost access charges designed to subsidize traditional telecommunications services.

US Datanet urged the Commission to grant AT&T's Petition for Declaratory ruling as quickly as possible in order to reduce regulatory uncertainty, which is harming all service providers. AT&T's position accurately reflects the Commission's current position on the issue as articulated in the *Report to Congress*: The imposition of any form of access charges on IP Telephony would have to be adopted in a future proceeding after the development of an adequate record and would apply prospectively only. Accordingly, the Commission should quickly grant

AT&T's petition, and address disputes over compensation for IP Telephony only as part of the broader intercarrier compensation issue.

As required by Section 1.1206(b), this *ex parte* notification is being filed electronically for inclusion in the public record of the above-referenced proceeding, and a copy is being submitted via e-mail to Mr. Libertelli.

Please direct any questions regarding this matter to the undersigned.
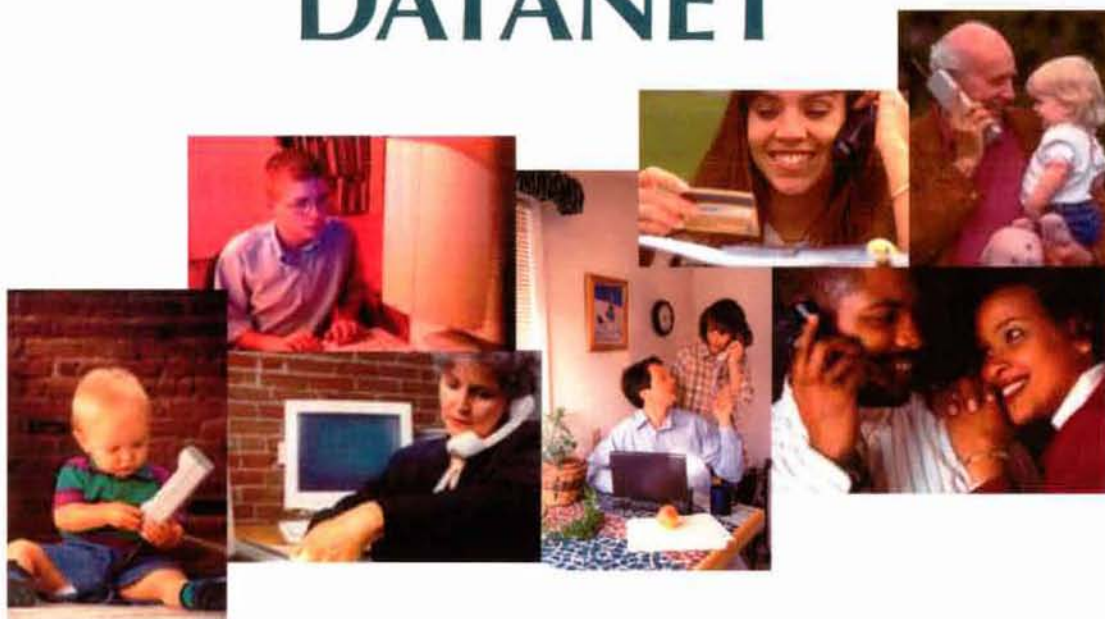
Sincerely,

Brad Mutschelknaus
Todd D. Daubert
Counsel to US Datanet

Attachment

cc: Christopher Libertelli

The Future of VoIP Communications
Ex Parte Presentation in WC Docket No. 02-361
June 19, 2003

USA DATANET

- **We are a uniquely positioned Communications Services Provider changing the way telephone service is sold...**

  - Founded in 1998 and based in Syracuse, NY – over 125 employees

  - Utilizing a Next-Generation, national Voice-over-Packet Network to provide residential and business communication services at uniquely competitive rates

  - Our network enables customers to have multiple points of access to our services, using any telephone device (wireless or landline) or personal computer, through local telephone numbers, and IP addresses

  - 350,000 total registered customers with 285,000 active users, with 500,000 customers projected by the end of 2003

  - Will process 3 billion minutes of voice & data traffic in 2003

  - Best-in-Class Customer support infrastructure (KSR Research April 2002)

- **US Datanet delivers value both to its customers individually and to the marketplace as a whole.**

  - US Datanet offers its customers – including residential and small business – new and innovative services, lower prices and better customer service, all of which improves their ability to communicate effectively.

  - By offering unique services, lower prices, and better customer service, US Datanet places competitive pressure on other carriers, which leads to better services at lower prices everyone.

- **US Datanet fairly compensates all carriers with which it interconnects.**

  - US Datanet pays cost-based rates to other carriers for terminating traffic originated by US Datanet customers.

- **The imposition of above-cost access charges would disadvantage US Datanet and other IP Telephony service providers.**

  - Like all service providers who offer IP Telephony, US Datanet will not be able to continue offering innovative, low-cost services if the FCC allows carriers to demand above-cost switched access rates for terminating traffic rather than the cost-based reciprocal compensation rates that currently apply.

- **AT&T's position reflects current FCC policy**
  - The FCC concluded in its *Report to* Congress that the imposition of any form of access charges on IP Telephony would have to be adopted in a future proceeding after the development of an adequate record and would apply prospectively only.

- **The FCC should continue its policy of "wait and see" with respect to IP Telephony and other Internet services.**
  - In granting AT&T's Petition, the FCC should reaffirm its "wait and see" policy in order to reduce regulatory uncertainty regarding the regulatory treatment of IP Telephony.

- **The FCC should address disputes over compensation for IP Telephony only as part of the broader intercarrier compensation issue.**
  - Most disputes over IP Telephony will disappear once the Commission eliminates the artificial distinction between above-cost switched access rates and cost-based reciprocal compensation rates.
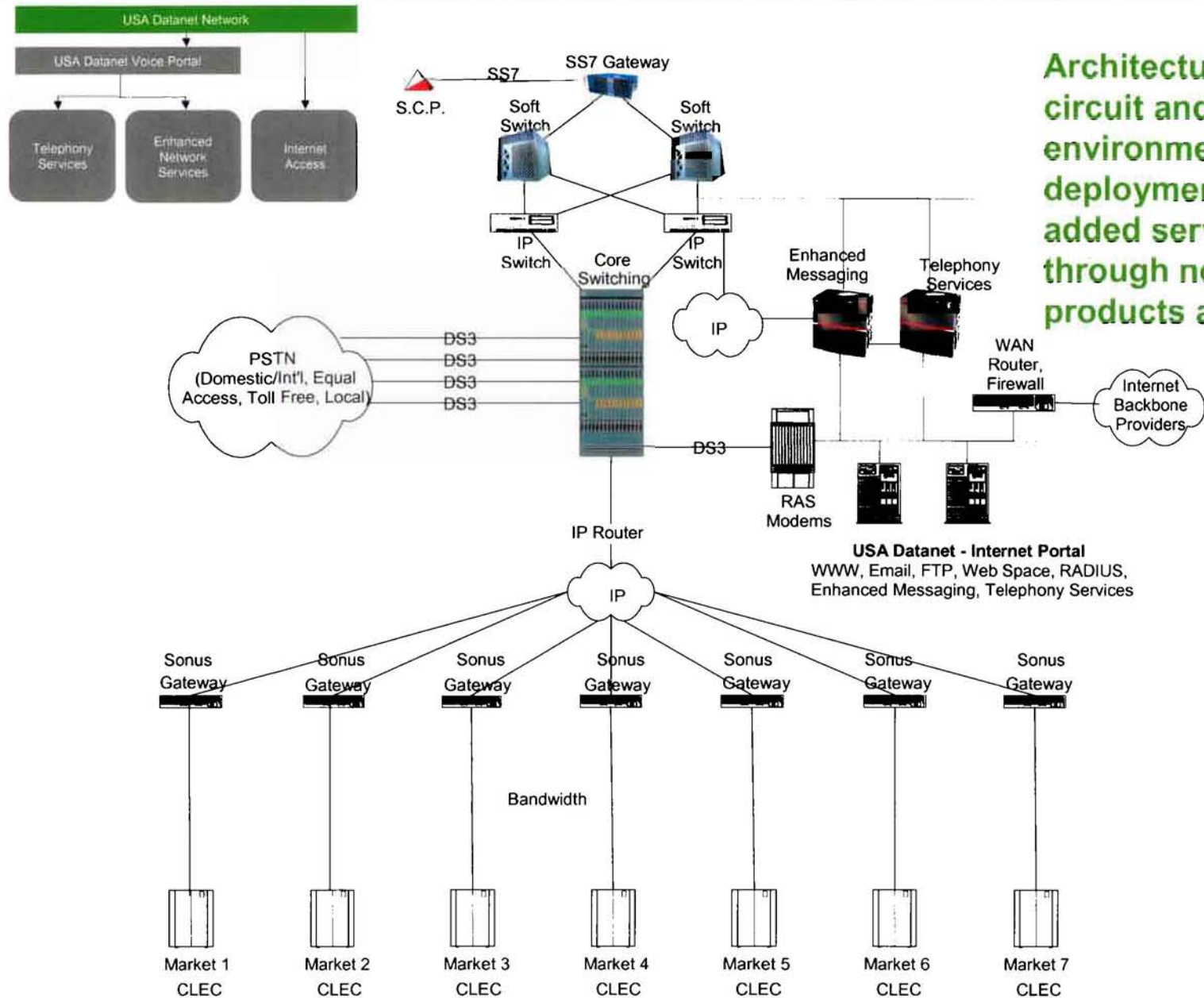
USA DATANET

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